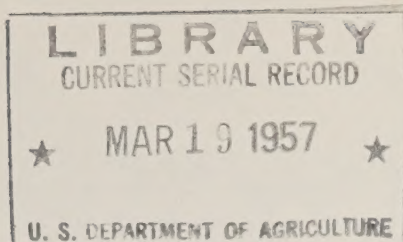


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The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

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Exports of farm products from July through October were valued at 36% above a year earlier and for the year ending next June 30 may set a new record.

Most of the major groups of commodities, shared in the export dollar gain. Cotton was 2-1/4 times the low level of the same period last year. Food grains were up 105%, vegetable oils and oilseeds 19%, fruits and vegetables 28%, and livestock products 18%. Tobacco and feed grain were down nearly one-fourth.

Government programs are helping to push farm exports. At least a quarter of total agricultural exports are being sold for foreign currencies. Another fourth is being financed under other special export programs.

Total value of agricultural exports in 1956-57 may be up 15 to 20% from 1955-56... volume is likely to rise even more because of lower prices. If shipping is available, the 1956-57 value is likely to top the 1951-52 record of \$4.1 billion.

Here is the 1956-57 export outlook for some of the more important export commodities:

Wheat--likely to top the 1955-56 total of 344 million bushels by at least 20 percent. Last winter's bad weather in Europe is an important factor.

Cotton--6-1/2 million bales, nearly 3 times last year's total. Reduced U. S. export prices, low stocks abroad are stimulating sales.

Rice--More than double the 11 million bags (milled basis) shipped last year. Foreign surpluses have been worked off and foreign currency sales alone provide for export of more than 15 million bags.

Feed Grains--down 20-25% from last year. Large areas of damaged wheat acreage in Europe were reseeded to feed grains and considerable low grade wheat is available for feeding.

Tobacco--down 10 to 15% from last year. Foreign demand is still strong but our big exports last year permitted many countries to build up stocks.

Fats and oils--about at last year's record level of 4.4 billion pounds. High economic activity abroad, increasing population and rising consumer income, low foreign stocks are in favor of continued high exports. Also big U. S. supplies are attractively priced. On the other hand, foreign production has increased.

LIVESTOCK AND MEAT. Hog slaughter in January and February will be down from last winter because of the sharp reduction in last spring's pig crop. The seasonal rise in prices should be at least as large as usual, holding them well above last winter.

Moderate price increases are in view for feeders, stockers and lower grades of slaughter cattle this winter. Marketings are tapering off from the heavy fall movement. Prices of upper grades of fed cattle are likely to decline somewhat as marketings increase.

Lamb prices also are likely to be generally stronger than last winter. Slaughter the next few months is not likely to differ much from a year earlier.

DAIRY PRODUCTS. Consumption of fluid milk and other dairy products per person is near year-ago levels. While consumer incomes are up, retail prices are slightly higher.

Milk production has passed the seasonal low point and will increase gradually until late next spring.

EGGS. Increased rates of lay per hen is expected to continue to hold egg production above the record levels of a year earlier. Prices to farmers are continuing well below 1955.

FEEDS. By late November, corn prices were up 10 to 15% from the October low. But in view of the large supply, corn prices are not likely to rise as much by next summer as they did in this period last year.

Year-end estimates indicate that the total feed concentrate supply for 1956-57 is a new record of about 200 million tons. Feed grain production will again exceed use and carryover next October 1 is likely to be up a tenth from a year earlier.

FATS AND OILS. A strong export market for food fats is again in view for 1956-57. Exports in 1956-57 probably will hold at about the 1955-56 record of 2.7 billion pounds.

About 35% of our production of all fats and oils, including oil equivalent of oilseeds, was shipped abroad in October 1955-September 1956. Shipments of edible vegetable oils, soybeans, flaxseed and tallow and greases reached new highs.

FRUIT. Prices to farmers for most fresh fruits this fall have averaged higher than a year earlier. Consumer demand is expected to continue strong this winter.

Some increase in output of frozen orange concentrate is expected this season. So far, however, movement of oranges to processors has been slow because of delayed maturity of the crop.

VEGETABLES. Slightly higher average prices than last winter are in prospect for fresh vegetables this winter. Prospective production of 15 crops totals 10% less than last winter and demand continues strong.

Potato prices are likely to continue fairly low this winter. Large stocks of late-crop potatoes are on hand and the winter harvest is expected to be up from last year.

WOOL. The rise in wool prices in domestic and foreign markets which began last April continued into December. Use of wool, both worldwide and U. S., has been higher so far this year than last.

COTTON. With a big increase in exports in prospect, total disappearance this marketing year is likely to reach 15½ million bales. This would exceed the 1956 crop by 2.3 million bales and reduce carryover by a similar amount.

TOBACCO. Prices on the burley auctions through December 14 averaged 8% above the same period last season. Supplies are down a little from last year but are large in relation to prospective use.